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TO RUEHC/SECSTATE WASHDC 4333  
INFO RUCNCIS/CIS COLLECTIVE  
RUEHAK/AMEMBASSY ANKARA 2479  
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS BAKU 001413

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DEPT PASS TO TDA FOR STEIN  
ANKARA FOR FCS

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SENSITIVE

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [EINV](#) [ECPS](#) [BTIO](#) [AJ](#)

SUBJECT: BAKUTEL: ANNUAL INTERNATIONAL IT CONFERENCE OPENS IN BAKU

SENSITIVE BUT UNCLASSIFIED - NOT FOR INTERNET DISTRIBUTION - PLEASE  
HANDLE ACCORDINGLY

¶1. (U) The 13th annual international exhibition and conference "Telecommunications and Information Technologies," known as Bakutel, was held in Baku November 21-24. The exhibition featured 152 exhibitors from 25 countries with organizers expecting 15,000 visitors this year. High ranking GOAJ officials like the Prime Minister, Minister of Information and Communication Technologies (ICT), Minister of Economic Development, and members of Parliament attended the opening ceremony, as did several visiting foreign dignitaries. Although the President was traveling and unable to attend, his recorded speech opened the event. The Ambassador also attended the opening session.

¶2. (U) Azerbaijan's plans for a Regional Innovation Zone (RIZ), an idea the GOAJ launched at last year's Bakutel event, took center stage during Minister of ICT Ali Abbasov's opening speech. Abbasov said the goal is "to turn Azerbaijan into a regional center of production and export of goods and services in information technologies based on the model of Azerbaijan's oil sector." He said he wanted the RIZ to help quadruple Azerbaijan's ICT revenues to 4 billion USD by 2012 and to equal oil revenues by 2015 - 2020. The RIZ, and the benefits and challenges of special ICT zones, was also the main topic of the conference on November 22. The conference was chaired by International Telecommunications Union (ITU) Secretary-General Hamadoun Toure and officials from Afghanistan, Azerbaijan, Iran, Jordan, Moldova, Russia, Turkey, and Vietnam, as well as leaders of leading private ICT companies participated.

¶3. (U) In his opening speech, Azerbaijan Minister of ICT Abbasov highlighted developments in Azerbaijan's ICT sector in 2006-2007, citing a doubling of data flow, a 700 percent decrease in the price of internet connectivity, 300 percent growth in the number of internet subscribers, and a 400 percent increase in the number of mobile phone subscribers among other achievements. As part of the GOAJ's policy to promote strong growth of the ICT sector, Abbasov mentioned several laws to be adopted soon to facilitate e-signature and e-documents, e-commerce, obtaining information, and telecommunications.

¶4. (SBU) A number of American IT companies such as Apple, AvirTel, Cisco, Dell, Hewlett Packard, IBM, Intel, Microsoft, Oracle, Sun Microsystems, 3COM, and others had individual booths or were represented indirectly by Azerbaijani ventures. Some of the companies had high-level executives visiting to participate in the event. Several private businessmen told the Ambassador that it was noteworthy that the number of Russian and Iranian companies and visitors to this year's event had increased dramatically, because of

the GOAJ focus on the ICT sector and the opportunities to be found in Azerbaijan's growing economy.

¶5. (SBU) Comment: While the GOAJ is devoting resources and high-level attention to Minister Abbasov's vision of the RIZ, the concrete steps needed to make it a reality are slower to come. However, within the last year, several American IT companies like Cisco, Oracle, and 3M have opened regional representative offices in Baku to take advantage of the growing IT opportunities in Azerbaijan and the Caucasus region. The IT companies currently operating in Azerbaijan are supportive of the RIZ concept, but they are not waiting for its implementation to go forward with expansion plans.

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